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SOURCE Kuang-ming Jih-Pao.

The following report was made by T'eng Tai-yuan, Minister of Railways, to the Government Administration Council on 6 Jun 1952.

A feature of the past few years has been the fact that, notwithstanding the inadequacy of railway facilities, there has been a great build-up of transportation capacity. The railways did fulfill the transportation goals as planned for 1951, thanks to the correct leadership of Mao....

1951 Data on Rail Transportation

<u>Category</u>	<u>Percentage Above Target</u>	<u>1951 Percentage Above 1950</u>
Carloadings	11.4	11.3
Tonnage	9.6	--
Ton-kilometrage	13.4	29.7

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<u>Category</u>	<u>Percentage Above Target</u>	<u>1951 Percentage Above 1950</u>
Passengers	5.9	--
Passenger-kilometrage	11.5	9.6
Operating revenue	31.4	--
Average productive rate of each RR worker	17.4	--
Number of locomotives repaired	7.0	--
Passenger cars repaired	13.5	--
Freight cars repaired	4.9	--
Output of steel bridge work	9.9	--

	<u>Percentage Below Target</u>	
Operating expenses	13.87	--
Unit cost per combined ton-kilometer	23.32	--
* This figure includes both ton-kilometers and passenger-kilometers.		
Freight car turnaround time, reduced by	0.11	0.12

New Track Constructed in 1951

<u>Line</u>	<u>Total Length (km)</u>	<u>Completed Length (km)</u>	<u>Temporary Railhead</u>	<u>Date of Operation</u>
Lai-pin--Chen-nan-kuan	402	402	P'ing-hsiang	7 Nov 51
T'ien-shui--Lan-chou	376	65*	Kan-ku	1 Dec 51
Ch'eng-tu--Chungking	520	237	Nei-chiang	7 Dec 51

The total length is 1,298 kilometers and the completed length is 113.6 percent of the target planned for accomplishment in 1951.

* Track laid for 130 kilometers by 31 December 1951, according to Shanghai Hsin-wen Jih-pao of 5 January 1952.

Treatment of Workers

The ministry worked out and put into effect a new wage scale based on the principle of fair compensation for actual work done. In the Northeast, the average wages, beginning with April 1951, were increased 6.9 percent. In intramural China, beginning with the month of August 1951, the new scale went into

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effect successively in different zones, with an average increase of about 10 percent. Not only did a large majority of the railway workers have their treatment improved and their standard of living raised, but the old unfair wage scale was abolished, and the railway workers became an important well-organized element of the workers participating in the democratic revolution.

This new wage scale did much to increase and improve production techniques, productive rates, and development of the latent productive power of the workers. It has helped to establish a standard for the development, advancement, utilization, and effectiveness of the cadres. It has also laid the foundation for the establishment of a progressive form of piecework pay scale, a system for contact work, and a rational system of awards. Through the government's promulgation of the Labor Insurance Regulations, 560,000 railway workers, and over 160,000 families of workers, now enjoy its benefits. Various schemes of group insurance are also coming into operation.

By the end of 1951, there had been established, or were in process of establishment, 52 sanatoria or convalescent homes having 4,132 beds. Each year, on the average, one out of every 30 workers will be able to benefit by these facilities at least once. In 1951, in intramural China, 28,400,000,000 yuan were spent for installations and equipment for safeguarding health and safety, for the work of prevention and cure, and for reducing the rate of injuries and illness among railway workers. For this work the budget for 1951 was three times what it was in 1950.

In 1951, the country provided funds for the erection of 233,000 square meters of dormitory space for railway workers whose good spirits were thereby greatly enhanced. Growth in the cultural life has kept pace with physical welfare. Altogether the railway bureaus have established 893 club houses, 754 libraries, 57 traveling motion-picture teams, 851 leisure-time amateur theatrical societies, and 667 units having broadcasting equipment. Personnel taking part in various activities are as follows: in literary studies 201,078; in political studies 312,138, in technical studies 165,090. On the one hand, the transportation situation reflects a turn for the better in the economic condition of the country, and on the other, it has proved that in the railway workers there is a tremendous latent force a portion of which was released to meet the problems and difficulties of 1951.

During the past year, the railway system provided a very large force of men to assist in the work of transportation and railway repair in connection with the Resist US, Aid Korea struggle. Educated in and motivated by both patriotism and internationalism, over 75 percent of all the railway employees signed declarations volunteering to go to Korea. Most of them, of course, could not be sent, but the enthusiastic spirit of such as could not go was turned into the channels of greater productive effort at home through the signing of patriotic covenants which served to stimulate emulation on the part of the workers.

The men who did go to Korea gained much in training and experience in repairs and transport operations in war time. Under conditions of bad weather and other physical hardships, and with a spirit of self-forgetfulness, they assured the fulfillment of transportation requirements. In this dangerous work, at least 80 percent rendered meritorious service and brought glory to the working class and to all the people of China. In the drive for contributions to help the country purchase airplanes and other munitions for use in the Korean campaign, railway workers subscribed a total of 41,200,000,000 yuan. This was equivalent to the cost of 27 fighter planes.

During the past year, in the course of the emulation movement, a large number of able and progressive men have made their appearance. Of them, 2,169 have been recognized as meriting selection for admission to membership in the Labor

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Heroes Societies formed by the various railway bureaus. Among them are such men as Locomotive Driver Cheng Hsi-k'un whose crew, with a haul of 4,174 tons, was the first to demonstrate the feasibility of heavier train loads; Li Hsi-kuei, a foreman in the marshaling yards of the Chung-Ch'ang Railway at Mukden, who took the lead in 1951 in beating all previous records in making up trains by methods he worked out, and which have become the widely accepted model throughout the country; and Yang Mao-lin, a scaleman, who showed how, by better loading methods, to increase the pay loads by an average of 8 tons per car of miscellaneous goods.

In August 1951, the ministry convened a conference of model workers which resulted not only in a valuable exchange of progressive experience and advanced methods, but also did much to raise the level of their class consciousness. It also conducted four classes in technical matters in which 600 of these progressive men were enrolled. As one result of such classes, a movement is gathering headway to reduce the average turnaround time for freight cars. Furthermore, notwithstanding the burden of the Korean campaign, the railways were able to surpass the years transportation target well before the end of the year.

About 4,000 selected yardmen from various bureaus and railway centers were sent at different times to Mukden to study the advanced methods in actual use on the Chung-Ch'ang Railway. In this way the benefit of the experience of our Soviet advisers is extended to all parts of the country.

In addition to the operational training classes just mentioned, training has also been given to financial staff members, accountants, and statisticians through whom it is intended to establish basic units to operate the most advanced general accounting and cost accounting systems, and to clear up in all units the situation regarding liquid or operating capital. Progress has also been made in getting rid of many of the old, inefficient, slipshod methods of making reports that are a hangover from the previous regime.

To inaugurate the new budget system of operation, numerous new or improved forms of records and reports are now being required showing such items as working hours, nonproductive time, materials, supplies, and the reduction of waste. Station masters, operational section chiefs, railway subbureau chiefs, and other administrative chiefs have been pursuing a course of study in the field of railway administration. By these means some 3,500 men in key positions are now better qualified for the performance of their functions.

Under the guidance and with the approval of the Committee of Finance and Economics, the railways have been able to ameliorate the unfavorable aspects of the slack season, from June to September, through the negotiation of transport contracts with large shippers which permit transportation plans on the basis of a comparatively uniform seasonal spread of traffic. About 80 percent of our traffic business is now covered by this kind of contracts, and thereby the traffic from June to September 1951 was increased 19 percent above what would otherwise have been expected.

Local government agencies have been very helpful in connection with the recruiting of civilian labor for new railway construction, providing 100,000 in the Southwest and Northwest. This has helped greatly in the completion of construction and operation of trains ahead of the target dates.

During 1951, a number of new measures have been put into operation. Among these is the employment of a more rational scheme of transport for the principal kinds of goods. For instance, in the Northeast, the average length of haul for each ton of coal was reduced 86.7 kilometers as compared with 1950. This meant a saving of operational costs corresponding to 1,400,000,000 ton-kilometers, which is equivalent to 88,200,000,000 yuan. Another such measure is the

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use of more intelligent methods of breaking up, switching and making up trains, with particular attention being given to making up long haul through trains. This measure has effected a marked reduction in the average length of turnaround time. In mid-July 1951, orders were issued to strive for full loads on all cars, resulting in releasing a large volume of latent car power. In August, a plan of transferable red banner awards for commendable performance was inaugurated which has proved to be very effective in raising the productivity of the workers.

By extending facilities to provide soft water for locomotives, and by pushing the movement for heavier trains and a target of 500 kilometers per day per locomotive, the consumption of coal by locomotives was reduced by 587,000 tons, which means a saving of 93,100,000,000 yuan. [At current rate of exchange, about 4,655,000 US dollars.]

To reduce the number and duration of time of locomotives temporarily out of use, the new Soviet methods and procedures for inspection and repair have been adopted. We have promoted the observance of the principle that careful planning must precede the commencement of work on a job, whether large or small.

In the Northwest, on the Lung-Hai Railway extension from T'ien-shui to Lan-chou, a Joint Committee of Investigation, composed of men from the ministry, and from the Northwest Engineering Bureau, including its chief Wang Shih-t'ai, made an on-the-spot investigation of all pertinent factors, and came to the conclusion that the hitherto held estimate that the line could not be completed until 1953 should be revised, and that the job could be finished and trains be running to Lan-chou within 1952. This would not only save a tremendous amount in construction costs, but also make available at least a half year earlier the transportation facilities which mean so much to the Northwest and to the country as a whole. Furthermore, men selected from the ministry and from all the railway and engineering bureaus were sent to the scene, where the losses and wastes incurred by failure to adhere to carefully prepared plans and to basic engineering practices were pointed out to them. This step proved to be highly instructive and it has helped to check much blind and misdirected activity on other projects.

The custom of letting out contracts for railway construction work to feudally minded commercial contractors has been replaced by the practice of the Engineering Bureau itself organizing the workers and directing their labor at first hand.

The railways of the country have assisted the government in its efforts to suppress the antirevolutionary movement by pointing out, apprehending, discharging, or supplying incriminating evidence against over 18,000 antirevolutionists both inside and outside the railway staffs.

On 1 April 1951, the Chinese Railways commenced the operation of international through-traffic trains between China and Soviet territory. About the same time, they inaugurated domestic transportation at the railways' responsibility.

Notwithstanding all these constructive and positive accomplishments, the railways still have their defects and shortcomings, as was revealed by the Three-Antis Movement, in which 533,405 railway men participated. Altogether, 49,206 men were accused or brought to confession of large- or small-scale corruption. This is an alarming number and the preparation of indictments against them is being pushed.

Waste of material through misdirected effort and irresponsibility on the part of inspectors, is very prevalent, and for that reason the aggregate loss is very great. One of the main obstacles to efficient administration of the railways is the lack of close supervision and of up-to-date and reliable statistics.

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Generally we have not yet put into effect the lessons concerning advanced methods and practices which we have learned from our Soviet advisers; we are too timid and indecisive, hesitating to lay aside the old customs and to develop our latent powers.

Pursuant to the unfortunate occurrence in the Mukden railway station at last Chinese New Year time, when crowds in the waiting room were so great that many travelers were crushed and some fatally injured, due to failure on the part of the responsible parties to open up enough means of exit, the following disciplinary actions have been taken. I, as minister, and Lu Cheng-tsao, the vice-minister, have acknowledged our blameworthiness and voluntarily requested the Government Administration Council to announce our dismissal from office. The special railway commissioner for the Northeast, Yu Kuang-sheng, has been given a demerit, his deputy, Su Mei, has been given a great demerit, Yang Kuo-hui, chief of the traffic department of the special commissioner's office, has been discharged, and other persons in any way responsible for the tragic happening have been dealt with in accordance with the instructions of the Government Administration Council. All railway employees have been informed of all particulars of the incident, that they might learn a lesson from it and avoid a repetition of it.

Status of Affairs, January - May 1952

Between 1 January and 31 May, the daily average carloadings were only 87 percent of the target figure. Besides the intervening of the New Year's holidays, this is due mainly to the fact that many manufacturing and mining industries had lagged behind in the volume of goods for which transportation was requested, and because the leaders of many agencies and enterprises had to devote a large part of their time and energies to the Three Antis Movement.

<u>Category</u>	<u>Percent of Target Accomplished</u>
Construction of freight cars	52.7
Locomotives repaired	96.2
Passenger cars repaired	92.2
Freight cars repaired	118.5
Steel (bridge) girders repaired	100.5

New railway construction has been pressed, and barring unexpected developments, the Ch'eng-tu -- Chungking Railway will be completed and in operation by 1 July 1952, and trains should be running from T'ien-shui through to Lan-chow by the end of October 1952. Track laying completed 23 August 1952 according to Peiping Jen-min Jih-pao, 28 August 1952.7

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As for the work of clearing up inventories and clarifying capital funds, the evaluation of fixed capital has been decided upon and publicly announced, while the task of clarification of fluid or operating capital was finished by the end of February 1952. It has been determined that material in the hands of the various railways in excess of what is positively required is to be paid for by remitting to the Ministry of Railways in cash 40 percent of its value, and compliance with this decision is one of the conditions of eligibility for receiving an award and/or a banner of merit.

Subsequent to the Three Antis and Five Antis Movements, the economic life of the country is bound to resume its normal condition, and evidence of its revival is already noticeable in railway operations. Capitalistic ideas in business management, technical guidance, and such matters are already discredited and discarded.

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Task for 1952

Looking forward, on the one hand, the railways must continue to meet the transportation requirements of the Resist US, Aid Korea campaign, and on the other, they must move the increasing quantity of goods which will require transportation now that the Three Antis and Five Antis Movements have been brought to a successful conclusion. We must make up in the next 7 months the deficit of transportation of the first 5 months; we must also push to early completion the work within the ministry of adjustment to the economic expansion of the country in matters of planning, organization, and systems of management and control. For these reasons, 1952 will be a year of arduous and complex work for the Ministry of Railways.

In comparison with 1951, the planned volume of transportation in 1952 will be increased as follows (in percent):

	<u>Percent</u>
Tonnage	19
Revenue producing ton-kilometrage	25.5
Number of passengers	3.1
Average turnaround time for freight cars is to be reduced by	0.25 days

We shall endeavor to achieve and maintain the original figures as to operational profits and physical depreciation. In the matter of basic construction, apart from the building and repair of locomotives and other rolling stock, and the purchase of machine tools, it is the intention, while maintaining the quality of the work, to effect economies in all projects, amounting to 20 percent of the respective controlling allocations of funds.

At present, the work of the democratic reform of the railways is nearing completion: we are now about to enter the stage of production reform. The general policy of railway work in 1952, based on the great success of the Three Antis Movement, will be to continue to support the Resist US, Aid Korea struggle, to enter thoroughly into the productivity-economy campaign, to overcome the "three-damaging practices," to develop and depend upon the masses, to intensify democratic and methodical management, to make inspection work more thoroughgoing, to use advanced Soviet work methods, and to continue to promote the use of economic planning processes. This will improve the quality of work, reduce costs, and increase profits, thus preparing the way for further extension of railway construction.

Financial plans and basic construction plans for 1952 are now being worked out by the ministry, and after approval, they will be passed on to the various working units for detailed study so that all workers, from top to bottom will have the whole picture, will know how their particular job fits into the whole, will work more intelligently and loyally to accomplish the objectives qualitatively and quantitatively, with a minimum of delay and waste, and thus, spurred on by a patriotic spirit, help the country to reach and surpass its goals.

Following the Three Antis Movement, three subbureaus under the Tientsin Railway Bureau, promoted between 200 and 300 men to positions as section chiefs, office chiefs, station masters, superintendents, and foremen. From 63 to 80 percent of the men promoted were workmen who showed a high sense of responsibility, were quick to learn, knew how to get along with other men and with the

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people, to overcome obstacles, and to carry a task through to completion....
[Here followed a long paragraph about the training of manpower for more responsible and more efficient work.]

In basic construction work, we are determined to adhere to the policy of undertaking no work on a project before the plans have been worked out and approved. In preparation for a big expansion in the construction of railway lines and railway shops, we are enlarging our force of surveyors, engineering experts, advisers, and planners. In production [output] reform, we shall place emphasis on the establishment of technical standards of work performance, of checking up on materials used and spoiled, of constant revision upward of the standards and goals of accomplishment, to get the optimum productive output from workers and machines. We intend to have more work done on the piece-work basis, and to pay more attention to the safety of the workers and their working conditions. Every effort is being made to improve our accounting and statistical systems, techniques, and analyses, as the basis for wise financial administration.

In view of the conditions of political thinking, as revealed by the Three Antis Movement, the political training of the railway workers must be carried on more effectively by the appointment of a greater number of qualified political cadres properly directed. With the attainment of these improvements and objectives, I am confident that the railways will be able to accomplish successfully the glorious task which has been entrusted to them.

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